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ARTICLE APPEARED 1
ON PAGE 11

Iraq set to buy French nuke reactor

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IRAQ is on the verge of buying a new nuclear reactor from France to replace the one destroyed by Israeli bombers in 1981, The Post has learned.

Well-informed European and Mideast sources said Paris and Baghdad are conducting "serious and intensive" negotiations to replace the reactor.

According to the sources, French President Francois Mitterrand also wants to sell Israel two reactors as a way to "politically legitimize" the Iraqi deal.

Yet while Israeli Prime Minister Shimon Peres wants the two reactors, he does not want to give Mitterrand an excuse to supply nuclear equipment to the radical Iraqis, the sources said.

France has reportedly agreed to give the Israelis liberal terms of cash credit to help the financially-strapped Jerusalem government finance the \$3 billion sale.

However Peres is under intense pressure from the Reagan administration not to accept the deal.

Although the Israeli reactors would ostensibly be for power supply only, Washington has long suspected that Israel's present Dimona reactor has been used to manufacture nuclear weapons, according to foreign reports.

The U.S. has also repeatedly objected to Israel's refusal to sign the nuclear non-proliferation treaty, which provides for international inspection of nuclear sites. Iraq has signed the treaty.

No objection has been raised in Washington to the Paris-Baghdad deal, sources said.

Intelligence experts in Jerusalem, who are tracking Iraq's increased use of chemical warfare against Iran, fear Baghdad may be considering the use of nuclear weapons in the Persian Gulf war.